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C O N F I D E N T I A L LA PAZ 001082

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [BL](#)
SUBJECT: BOLIVIA: RECALL SURPRISE -- A HIGH RISK GAMBIT

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d).

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Summary
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¶1. (C) In a surprise move on May 8, Bolivia's opposition-controlled Senate passed a law proposed originally by President Evo Morales that provides for a recall referendum on the President and Bolivia's nine prefects (governors). Evo signed off on the law a few hours later. The Senate has opted for a high risk strategy which could result in the opposition losing at least two prefectures, La Paz and Cochabamba. Evo with his current popularity, favorable rules, and Venezuelan financing seems unlikely to lose the recall, but could come out weakened. Members of the opposition PODEMOS party who support the move say it was designed to prevent the government from taking radical actions against opposition autonomy-seeking departments (states). They also stress the measure postpones a vote on the Movement Toward Socialism's (MAS) draft constitution. Others in PODEMOS call the move "myopic" and designed purely to allow the weakened national opposition a chance to "reclaim the agenda" from the ascendant prefects. If it goes forward, the National Electoral Court (CNE) should hold referendum in the next 90 days. But, the CNE is fractured and one resignation from the court could stop the process. One thing is sure, the already confusing Bolivian political scene has just gotten more complicated. End Summary.

¶2. (U) On May 8, Bolivia's opposition-controlled Senate, in an unexpected move, passed a law proposed originally by President Evo Morales that provides for a recall referendum on the President and Bolivia's nine prefects (governors). President Morales approved the law hours later after a brief cabinet meeting. The law calls for the referendum to be held within 90 days. In theory should the referendum go forward, the National Electoral Court (CNE) must organize the referendum on or before August 5.

¶3. (U) The Senate had until May 8 rejected the recall referendum law that was passed by Morales' Movement Toward Socialism (MAS) party in the lower house in January 2008. The lower house law was widely viewed as overly favorable to

the President. Under the law, the President/Prefects will have their mandates terminated should the "NO" vote exceed both in percentage AND the number of votes cast the results in favor of the President/Prefects in the December 2005 election. The original Senate bill demanded a simple majority (50 percent plus one) "NO" vote in order to recall the President/Prefects. Some 1,544,374 eligible voters chose Morales in December 2005 which equaled 53.74 percent of vote cast.

¶4. (U) For Evo to be recalled under the May 8 law, 53.75 percent of voters would have to vote against Morales and the total number of "NO" votes cast would have to equal or exceed 1,544,375. If more than 1,544,375 voted against Morales but the percentage did not exceed 53.74 percent, Morales would stay in power. In order for the prefects to remain in power the "NO" vote must NOT exceed the following 2005 results:

Beni	44.63 percent,	46,482 votes
Cochabamba	47.61 percent,	246,417 votes
Chuquisaca	42.30 percent,	66,999 votes
La Paz	37.98 percent,	361,055 votes
Oruro	40.95 percent,	63,630 votes
Pando	48.03 percent,	9,958 votes
Potosi	40.69 percent,	79,710 votes
Santa Cruz	47.87 percent,	299,730 votes
Tarija	45.65 percent,	64,098 votes

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Who Is At Risk?
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¶5. (SBU) Given recent polling data shows that the President as still having over a 50 percent approval rating, Evo does not seem to be at risk of losing the recall referendum. On the contrary certain opposition prefects are at risk, namely Jose Luis Paredes of La Paz and Manfred Reyes Villa of Cochabamba. Despite the odds against them, both the prefects of La Paz and Cochabamba have indicated they approve of the referendum.

¶6. (SBU) Paredes is most at risk because in December 2005, he ran against several candidates thus splitting the vote leaving him with just under 38 percent. The recall referendum is simply a yes/no vote on Paredes meaning even if he garnered 55 to 60 percent support, he could still be recalled, a scenario which is likely given he serves in heavily MAS department. Paredes claims his campaign will focus on the "advances" he has provided La Paz department.

¶7. (SBU) Manfred Reyes Villa who received close to 48 percent of the vote in 2005, presides over an evenly divided department between pro- and anti-MAS constituents. Rural Cochabamba, dominated by the coca-growing Chapare region, is the heart of President Morales' base. There has been a recall (signature) campaign against Reyes Villa as far back as December 2006. Reyes Villa may have accepted the recall referendum since he would have to face the issue sometime anyway.

¶8. (SBU) On the MAS-side, the prefects of Oruro and Potosi are at somewhat of a risk as they both barely achieved 40 percent in December 2005. Popular Potosi Mayor Rene Joaquin who is trying to mount his own national political party Alianza Social (AS) could view the recall referendum as a chance to unseat the MAS on his home turf and the adjacent department of Oruro.

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Recall Math 101
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¶9. (SBU) Because the recall referendum requires that the "NO" vote exceed both the percentage and the number of votes cast in December 2005, a high abstention rate in the referendum could mean that both the President and Prefects remain in power. Only 15.5 percent of eligible voters abstained in December 2005, however in the May 4 Santa Cruz

autonomy statutes referendum the abstention rate was much higher, over 30 percent. Despite increased voter registrations, less Santa Cruz residents voted on May 4, 2008 than in December 2005. Of course, if the MAS and opposition are energized to try to topple their respective political enemies, abstention rates may be close to the December 2008 number.

Why the High Risk Strategy?

¶10. (C) With President Morales almost certain to pass the recall, given his current approval ratings and the Venezuelan cash that will help finance his campaign, why would the opposition in the Senate agree to the recall referendum? According to Senator Robert Yanez (PODEMOS, Beni) the opposition made the decision that it was "less damaging" to the country to call a recall referendum, even one that was not on the most optimal terms, than to "proceed on the current trajectory." According to Yanez, many in the opposition feared that Evo with his back up against the wall and facing three more sure autonomy referendum victories would try something radical/violent. Yanez acknowledged that the recall referendum is also a ploy to push back a vote on the MAS constitution to 2009, when the opposition will be able to negotiate from a position of greater strength. Ultimately, according to Yanez PODEMOS politicians think time is on their side: Evo will be weaker and they will be stronger. He acknowledged there are risks with the strategy and they are playing with fire because Evo could come out boosted from referendum and they could lose in La Paz and Cochabamba, but Yanez didn't think the outcome would change much because low voter turnout is likely to nullify the results.

¶11. (C) According to other sources, former President Jorge "Tuto" Quiroga and his PODEMOS party cooked up the idea to support the recall referendum at Tuto's birthday party on May 15. PODEMOS Alternate Senator Rafael Loayza told poloff, the goal was to try to "retake the national agenda" from the opposition prefects of the "media luna" departments of Santa Cruz, Beni, Pando and Tarija. These four prefects, especially Santa Cruz' Ruben Costas, have increasingly taken on the mantle of leading the opposition, a role that Quiroga and others in the national opposition view as a challenge. For example, Evo Morales no longer calls on national opposition figures to attend national talks, he simple calls on the prefects. However, members of the Congressional opposition often see the Prefects as having too much of a regional (departmental) view and not a national view. Other PODEMOS insiders have confirmed Loayza's account.

¶12. (C) Loayza, however, called the move a huge mistake and "myopic". He acknowledged that Senators had in essence "sacrificed" La Paz Prefect Jose Luis Paredes and set up Manfred Reyes Villa for a "monumental" battle in Cochabamba. He recognized that the opposition could pick up Potosi. Loayza echoed what many critics have stated that by calling on a national recall vote, the Senate has shifted the agenda away from the autonomy movements (referenda) of Beni, Pando and Tarija and hands Evo the chance to put himself back in the middle of the political scene. While, it may take attention from the autonomy votes Loayza explained that the media luna prefects would still end up leading the anti-Evo vote thus thwarting the national opposition's plan to return to relevance. Loayza noted that even if Morales were to lose (which Loayza acknowledged is unlikely) Evo would simply return to the Chapare and stir up trouble for his successor (or successors), and by implication continue to make Bolivia ungovernable.

¶13. (C) Manuel Suarez, former advisor to President Gonzalo Sanchez de Lozada, told poloff that the Santa Cruz Civic Committee had heard the MAS was planning another takeover of the Congress in a week and that they would push through legislation to convoke a vote on the MAS constitution. (Note: In a February 28 takeover, MAS supporters blocked

opposition members from attending Congress and passed convoking legislation which was later overturned by a CNE resolution arguing the law did not provide enough time to organize a referendum. End Note). Suarez argued the Senate passed the recall referendum to throw the MAS off. However, he acknowledged the MAS could still go ahead and push through the constitutional referendum as well. Suarez mentioned that the Senate's actions caught the Committee totally by surprise, but that the Committee is tentatively supporting the move. Suarez echoed the popular wisdom that Manfred Reyes Villa and Jose Luis Paredes are very vulnerable.

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Comment
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¶14. (C) The Senate's move is risky and throws the Bolivian political scene into further confusion, or even chaos. The risks are definitely higher for the opposition than for Morales, although the recall seems to shelve the new MAS constitution for now. The recall also provides the opposition leverage to try to prevent the government from acting against its autonomy referenda in Beni, Pando and Tarija. The reality is that the recall may never happen. There are numerous potential obstacles for the recall referendum which could prevent it from ever advancing. The National Electoral Court (CNE) which must organize and supervise the referendum is split and has the bare minimum three person quorum. If any justice on the CNE resigned, the court could not (in theory) carry out the election. Furthermore, if Congress ever decides to appoint magistrates to the Constitutional Tribunal, the Tribunal could rule the recall law unconstitutional thus stopping the process altogether.

¶15. (C) According to Bolivia's constitution, the loser(s) of the recall referendum, (the President or the Prefects), would not be permitted to run again for the same office in the subsequent election. The constitution does not permit consecutive mandates. However, with Bolivia's fluid political system anything is possible. Without a Constitutional Tribunal to rule against a law passed specifically to allow Morales to run again, Evo's loss would not necessarily spell out the end of this presidency. End Comment.
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